

— SUSTAINABILITY OVERVIEW · FY 2025

ESG & Sustainability Disclosure

A transparent account of how AlRayan Bank embeds environmental, social and governance priorities across its strategy, risk management and operations — in line with Qatar National Vision 2030.

Sustainability Strategy & ESG Integration

AlRayan Bank has positioned sustainability at the core of its corporate strategy. ESG integration is both a regulatory imperative and a driver of long-term value, resilience, and competitive positioning. The Bank's ambition — to lead Qatar's banking sector in ESG and sustainable finance — is supported by a defined set of strategic drivers and operational enablers that translate commitment into measurable outcomes.

PURPOSE AND VISION

- ◆ Lead ESG and Sustainable Finance in Qatar's banking sector
- ◆ Support Qatar's National Vision 2030
- ◆ Integrate sustainability into the Bank's strategy, business model, and operations
- ◆ Deliver responsible finance solutions that create long-term value for stakeholders

Driving ESG & Sustainable Finance Leadership

A Business model drivers



Regulatory & Stakeholder Expectations



Risk Management & Long-Term Resilience



Market Opportunity & Sustainable Growth



Competitive Positioning & Differentiation



Alignment with National & Global Agendas

B Enablers



ESG Governance & Oversight



Sustainable Finance Framework & Policies



ESG & Climate Risk Integration




Data, Metrics & Disclosure



Sustainable Products & Innovation


Material ESG Topics Driving Our Strategy


The Bank's ESG agenda is structured around three pillars — Environmental, Social, and Governance — each linked to specific sustainability topics aligned with the UN Sustainable Development Goals. This ensures the Bank's sustainability efforts contribute to Qatar National Vision 2030 and the global sustainability agenda.




Environmental

- Resource intensity
- Waste treatment
- Emissions footprint
- Climate transition
- Energy Transition
- Net Zero

UN SDGS






QNV 2030
Environmental development pillar




Social

- Consumer Protection
- Human Capital
- Data Privacy
- Community Engagement
- Access to Finance
- SME Financing

UN SDGS






QNV 2030
Human & social development pillars



Governance

- Risk Appetite
- Ownership & Control
- Tax Transparency
- Board Independence
- Board Diversity
- Disclosures
- Business Ethics

UN SDGS




QNV 2030
Economic development & governance

Materiality Assessment: Process & Framework

The Bank applies a structured four-step materiality process guided by SASB, GRI, and international best practice to identify and prioritize the ESG topics most relevant to its business and stakeholders. The outcome directly informs strategy, risk management, disclosures, and target-setting.



Material topic rating dimensions

COMPONENT	RATIONALE
01 Financial materiality	Primary lens aligned to enterprise value, risk management and investor expectations.
02 Impact materiality	Captures severe or systemic impacts on society and environment that could translate into future risk.
03 Regulatory intensity	Could translate into future fines and reputational damage.
04 Strategic relevance	Forward-looking value creation.

Guiding frameworks

SASB

GRI

UN SDGs

NDC

NCCAP

International disclosure standards and Qatar's national climate frameworks anchor the assessment, ensuring outcomes are both globally comparable and locally relevant to Qatar National Vision 2030.

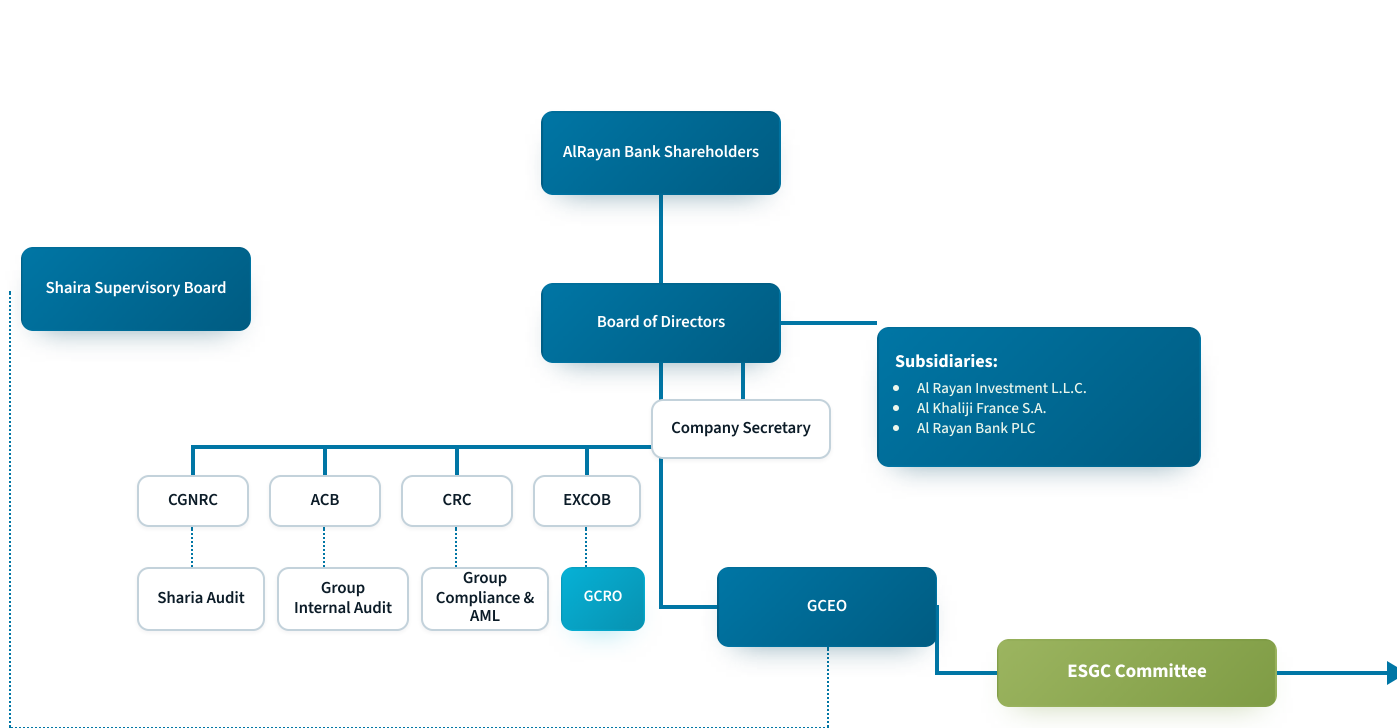
ESG Materiality: Priority Topics & Criticality

The Bank has identified and prioritised the ESG topics with the greatest impact on its business, stakeholders, and long-term sustainability performance. Ranked by criticality — High, Medium, and Low — these topics guide the Bank's strategy, risk management, disclosures, and performance targets.

High criticality 10	Medium criticality 8	Low criticality 8
<ul style="list-style-type: none"> Climate Change & Transition  	<ul style="list-style-type: none"> Responsible Procurement  	<ul style="list-style-type: none"> Nature & Biodiversity 
<ul style="list-style-type: none"> Green Finance & ESG Lending  	<ul style="list-style-type: none"> Ethics & Anti-corruption  	<ul style="list-style-type: none"> Water Management 
<ul style="list-style-type: none"> Financed Emissions  	<ul style="list-style-type: none"> Systemic Risk & Operational Resilience  	<ul style="list-style-type: none"> Waste Management 
<ul style="list-style-type: none"> Corporate Governance  	<ul style="list-style-type: none"> Financial Inclusion  	<ul style="list-style-type: none"> Employee Engagement & Wellbeing 
<ul style="list-style-type: none"> Data Security  	<ul style="list-style-type: none"> Labor Rights & Fair Practices  	<ul style="list-style-type: none"> Diversity & Inclusion 
<ul style="list-style-type: none"> Customer Privacy  	<ul style="list-style-type: none"> Financial Performance  	<ul style="list-style-type: none"> Community Engagement 
<ul style="list-style-type: none"> Customer Protection  	<ul style="list-style-type: none"> Anti-competitive Behaviour  	<ul style="list-style-type: none"> Customer Experience 
<ul style="list-style-type: none"> Human Capital Development  	<ul style="list-style-type: none"> Occupational Health & Safety  	<ul style="list-style-type: none"> Public Policy & Advocacy 
<ul style="list-style-type: none"> Marketing & Transparency  		
<ul style="list-style-type: none"> Digital Transformation  		

ESG Governance: Oversight, Accountability & Delivery

The Bank has established a dedicated ESG governance structure ensuring sustainability priorities are set at Board level, monitored through a specialized committee, and delivered through an embedded ESG function. This structure translates sustainability commitments into measurable actions while maintaining robust oversight and accountability.



The Board holds ultimate ESG oversight. The Corporate Governance, Nominations & Remunerations Committee (CGNRC) reviews and escalates ESG matters for Board approval.

Group CEO Receives direct ESG updates from the ESGC and reports progress to the CGNRC.

ESG Governance Committee (ESGC) is Chaired by the Chief Strategy & Technology Officer, with the ESG Lead as Secretary. The ESGC sets ESG priorities, monitors implementation, oversees Sustainable Finance Framework alignment, and reviews ESG risk and climate disclosures.

ESG Unit is the Committee's central delivery function, responsible for ESG disclosures and reporting, stakeholder engagement, initiative monitoring, business partnering, and climate risk oversight support.

Climate Risk: Transition & Physical Risk Assessment

The Bank has completed a portfolio-wide climate risk assessment, evaluating both transition and physical risk exposures. These assessments enable the Bank to identify risk concentrations, strengthen credit decisions, and proactively manage climate-related risks across its portfolio.

Transitional risk

Using PCAF emissions-intensity data, the Bank has assessed the transition risk embedded across its portfolio:

1. Classify: Applied PCAF emissions-intensity data to measure transition risk across portfolio exposures



2. Analyse: Conducted deep-dive analysis across key portfolios to assess sectoral transition dynamics.

Corporate SME Banks & Sovereign Investments Private

3. Identify: Mapped transition risk hotspots, highlighting sectors requiring focused monitoring and engagement

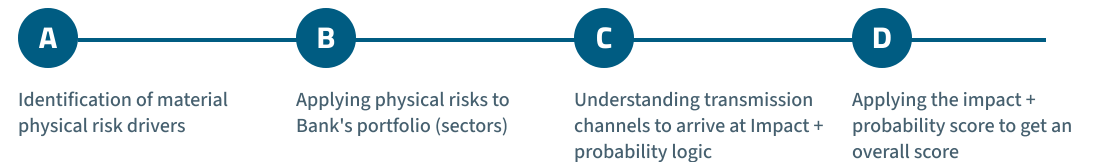
CRITICAL	HIGH	MEDIUM	LOW
Crude Petroleum	Manufacturing	Supermarkets	Education
Aviation	Construction	Sports & Recreation	Healthcare
Natural Gas	Electricity	Jewellery Stores	Public Administration
Cement	Power Distribution	Sale of Goods	Financial Intermediation

Physical risk

Using Qatar's National Climate Change Action Plan (NCCAP) as our guiding framework, we assessed physical climate risk exposure across our portfolio.

- 1. Sea level rise** Can cause coastal flooding and damage critical infrastructure
- 2. Rising temperatures and humidity** Increase heat-stress risks and reduce labour productivity.
- 3. Increasing water temperatures** Disrupt marine ecosystems and reduce industrial cooling efficiency.
- 4. Water scarcity** Heightens pressure on water supply and increases reliance on desalination.

Physical risk assessment follows the below order:



ESG Risk Screening: Portfolio Assessment Scorecard

The Bank has developed a comprehensive Climate & ESG Risk Management Framework supported by a dedicated ESG Scorecard. This tool systematically identifies, assesses, and monitors sustainability-related risks and opportunities across the portfolio — strengthening credit decisions and driving measurable improvements in ESG performance.

E Transition Risk	E Physical Risk	S Social Risk	G Governance Risk	E Other Environmental Risk
<ul style="list-style-type: none"> ◆ Climate Risk Governance / Strategic Planning ◆ Carbon footprint ◆ Mitigation/Adaptation measures ◆ Fossil fuels reduction ◆ Carbon Pricing 	<ul style="list-style-type: none"> ◆ Sea level rise ◆ Increased temperatures ◆ Depletion of water resources 	<ul style="list-style-type: none"> ◆ Workplace safety ◆ Product safety ◆ Employee engagement, satisfaction, communication ◆ Diversity & Inclusion 	<ul style="list-style-type: none"> ◆ Roles & Responsibilities ◆ Conflicts of Interest ◆ Related Party transactions ◆ External standards & transparency 	<ul style="list-style-type: none"> ◆ Biodiversity impacts ◆ Waste and pollution ◆ Water use

The Bank's **Climate & ESG Risk Management Framework** provides a structured approach to identifying, assessing, monitoring, and managing sustainability-related risks and opportunities across operations, financing activities, and sectoral exposures.

GHG Emissions: Scope 1, 2 & 3 Measurement

The Bank is committed to measuring and managing its environmental impact through transparent, data-driven practices. A comprehensive emissions measurement framework aligned with the GHG Protocol enables systematic quantification of Scope 1, 2, and 3 emissions — establishing a robust baseline to support the Bank's decarbonisation objectives.




Human Capital: Diversity, Inclusion & Development

The Bank recognizes that its people are central to delivering long-term sustainable value. AlRayan Bank is committed to fostering a diverse, inclusive, and nationally representative workforce — investing in talent development, gender representation, and equal opportunity at every level of the organisation.



Corporate Governance: Ethics, Transparency & Compliance


Strong governance underpins the Bank's sustainability agenda. AlRayan Bank upholds the highest standards of transparency, accountability, and ethical conduct — ensuring robust oversight, clear policies, and responsible business practices are embedded across the organization.



BOARD & OVERSIGHT

27.27%


Of Board directors are independent



ETHICS & INTEGRITY

0

Incidents of bribery or corruption



ETHICS & INTEGRITY

0

Incidents of corruption related business partner terminations



RESPONSIBLE PROCUREMENT

6

Key suppliers rated through our ESG Vendor assessment scorecard



RESPONSIBLE PROCUREMENT

0

Vendors flagged as significant ESG risk

**Building a resilient, responsible
and sustainable bank.**